

SENATE BILL 591

By Jackson

AN ACT to amend Tennessee Code Annotated, Title 57, Chapter 3, Part 2; Title 57, Chapter 3, Part 8 and Title 57, Chapter 4, Part 1, relative to the transfer of alcoholic beverage inventory.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 57, Chapter 3, Part 2, is amended by adding the following as a new section:

(a) Notwithstanding § 57-3-204(c) or any other law to the contrary, a retailer licensed pursuant to § 57-3-204 that is selling the licensed establishment to a new licensee of the same license type or that is closing the licensed establishment may sell or transfer its alcoholic beverages to the purchasing entity or person or to another establishment of the same license type held by the closing licensee, if:

(1) The selling or closing licensee submits written notice to the commission and the department of revenue at least ten (10) days in advance of the sale or transfer to dispose of the licensee's remaining inventory. The commission shall determine the form of such notice and the method by which the notice must be provided. The notice must identify the licensee who is purchasing or receiving the inventory, the proposed date of the sale or transfer, and the quantity, types, and brands of alcoholic beverages to be sold or transferred;

(2) All invoices and debts related to alcoholic beverages being sold or transferred pursuant to this section are paid in full prior to the alcoholic beverages being sold or transferred; and

(3) The purchaser or transferee is licensed by the commission under § 57-3-204 prior to the sale or transfer being finalized.

SECTION 2. Tennessee Code Annotated, Title 57, Chapter 3, Part 8, is amended by adding the following as a new section:

(a) Notwithstanding any other law to the contrary, a retailer licensed pursuant to § 57-3-803 that is selling the licensed establishment to a new licensee of the same license type or that is closing the licensed establishment may sell or transfer its wine to the purchasing entity or person or to another establishment of the same license type held by the closing licensee, if:

(1) The selling or closing licensee submits written notice to the commission and the department of revenue at least ten (10) days in advance of the sale or transfer to dispose of the licensee's remaining inventory. The commission shall determine the form of such notice and the method by which the notice must be provided. The notice must identify the licensee who is purchasing or receiving the inventory, the proposed date of the sale or transfer, and the quantity, types, and brands of wine to be sold or transferred;

(2) All invoices and debts related to wine being sold pursuant to this section are paid in full prior to the wine being sold or transferred; and

(3) The purchaser or transferee is licensed by the commission under § 57-3-803 prior to the sale or transfer being finalized.

SECTION 3. Tennessee Code Annotated, Title 57, Chapter 4, Part 1, is amended by adding the following as a new section:

(a) Notwithstanding any other law to the contrary, a retailer licensed pursuant to § 57-4-101 that is selling the licensed establishment to a new licensee of the same license type or that is closing the licensed establishment may sell or transfer its alcoholic

beverages to the purchasing entity or person or to another establishment of the same license type held by the closing licensee, if:

(1) The selling or closing licensee submits written notice to the commission and the department of revenue at least ten (10) days in advance of the sale or transfer to dispose of the licensee's remaining inventory. The commission shall determine the form of such notice and the method by which the notice must be provided. The notice must identify the licensee who is purchasing or receiving the inventory, the proposed date of the sale or transfer, and the quantity, types, and brands of alcoholic beverages to be sold or transferred;

(2) All invoices and debts related to alcoholic beverages being sold or transferred pursuant to this section are paid in full prior to the alcoholic beverages being sold or transferred; and

(3) The purchaser or transferee is licensed by the commission under § 57-4-101 prior to the sale or transfer being finalized.

SECTION 4. This act takes effect upon becoming a law, the public welfare requiring it.